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Snaring the Snoopers: More Firms Use Gear To Foil Rivals' Spying

They Jam Transmitters, Hire
Searchers to Hunt 'Bugs':
Role of the Little Black Box

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Corporations are going buggy.

Electronically buggy, that is.

Faced with an increasing amount of corporate spying and intrigue, more and more companies are arming their offices with anti-spy "bugs" that jam any transmitters rivals may have planted in the offices. The companies also are having their offices regularly "swept"—checked by professional sleuths to find any hidden transmitters.

Demand for debugging service has doubled every year since 1962, says John T. Lynch of Detroit, who heads a nationwide investigative agency that bears his name. He estimates that 75% of all major companies now periodically check their offices for wire taps and other electronic peepers.

Mr. Lynch claims industrial espionage costs companies "billions of dollars annually" in lost secrets. This and awareness fostered by a Senate inquiry into use of spy gadgets by law enforcement, tax and other Government agencies are responsible for the new antibugging business, espionage experts say. But most say the fear of bugging far exceeds the actual incidence.

The Little Black Box

"I got worried after reading several articles about new bugging techniques and decided I better get one of these things," says the vice chairman of a nationwide retail chain, as he concedes he keeps in his desk drawer a tiny black box that jams any transmitters that may be hidden in the executive suite.

The \$350 device, called an Antibug, is made by the year-old Dectron Industries, Inc., of Santa Monica, Calif. The company says it has sold 500 Antibugs so far, is currently turning out 35 a week and is running four weeks behind in deliveries. Defense contractors and major oil companies are among the purchasers, says Stephen W. Netolicky, president.

The Antibug and similar do-it-yourself jam-

mers are far from foolproof, however. Generally their broad-band radio signal jams nearby transmitters but doesn't affect wired microphones or telephone taps, which don't use radio signals. Also, they interfere with legitimate communications equipment within their limited range of 200 feet or so. And if put on a stronger signal they could jam radios in planes and police cars and ruin television reception in homes up to several blocks away.

The outside search provides a more thorough attack on snooping, but it's also a more costly attack—\$150 to \$1,500 a job. Argus Investigative Agency of Los Angeles says it now handles about 10 searches a month, more than twice that of two years ago. The company, whose president is a former deputy police chief of Los Angeles, practices what it preaches. It checks its own offices and phone lines every morning for bugs and wire taps.

Searches uncover hidden eavesdroppers about 10% of the time, most searchers say. A Los Angeles land development company recently lost several hundred thousand dollars in potential profit when, on five different occasions, competitors bought up surrounding parcels of land to increase the price of plots the company was considering buying. A search by Argus of the meeting room turned up a small bug in a chair cushion. Any chance of finding the culprit, however, was lost when an executive, present when the bug was found, muttered, "What bum would bug us?"

A Bug in a Rug?

Searchers sometimes take as long as a full day to scour an office, according to the William J. Burns Detective Agency, which says its electronic-detection business has increased by a third in the past three years. In Burns' "sweeps," which often cost about \$350 each, specialists check furniture, light switches, air vents, drapes, rugs, telephones, pictures and walls with about \$30,000 of detection gear.

Some electronic eavesdropping is illegal, but some isn't. And when a corporation discovers a competitor has been snooping there sometimes is a big problem about what to do about it.

A large West Coast manufacturer was recently confronted with the problem. At first, the company considered bringing suit for damages estimated at \$1,250,000 to \$2,000,000—potential profit the company figures it will lose as a result of stolen secrets. The company finally decided instead to confront the competitor's president with evidence of the bugging.

The president denied knowledge of the practice and assured the company that had been bugged that any illegally obtained information wouldn't be used. "We think he was lying about not knowing, but we're satisfied that any information won't be used," says a spokesman for the manufacturer.